

## AN ACT

ENTITLED, An Act to revise the cost of purchasing uncredited public service in the South Dakota Retirement System.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 3-12-83 be amended to read as follows:

3-12-83. A current contributing member of the system may receive credited service by election to make, or have made on the member's behalf, contributions, based on the higher of the member's current compensation, or the member's final compensation calculated as if the member retired on the date of election, at an actuarially-determined percentage times the member rate, for each year of service for which the member wishes to receive credit, if:

- (1) The current contributing member of the system could have established credit for any South Dakota public service by making contributions under this chapter or any prior law;  
or
- (2) The current contributing member was not permitted to establish credit for any South Dakota public service.

The amount of the credited service and the rate of contribution shall be at class A rates unless the service for which credit is sought was rendered as a class B member in which case class B rates shall apply. If a participating unit has failed to pay employer or member contributions to the system on behalf of a member as required under this chapter or under any predecessor system consolidated pursuant to § 3-12-46, the amount due the system shall be calculated in accordance with this section.

The member rate in effect as of July 1, 2001, shall be used in calculation of the purchase cost of any service performed prior to July 1, 2002, if a contract to purchase such service is in place prior to July 1, 2004. The member rate in effect on and after July 1, 2002, shall be the basis for calculation of the purchase cost of any service if the contract to purchase such service is not in place until on or

after July 1, 2004.

Section 2. That § 3-12-84 be amended to read as follows:

3-12-84. If a current contributing member of this system has other public service for which the member is not entitled to retirement benefits from another public retirement system, the member may elect to deposit or have deposited on the member's behalf an amount equal to an actuarially-determined percentage times the Class A rate of contribution multiplied by the higher of the member's annual compensation at the time of making the election, or the member's final compensation calculated as if the member retired on the date of the member's election, for each year of other public service for which the member wishes to receive credit as a Class A member.

The member rate in effect as of July 1, 2001, shall be used in calculation of the purchase cost of any service performed prior to July 1, 2002, if a contract to purchase such service was in place prior to July 1, 2004. The member rate in effect on and after July 1, 2002, shall be the basis for calculation of the purchase cost of any service if the contract to purchase such service is not in place until on or after July 1, 2004.

Section 3. That § 3-12-130 be amended to read as follows:

3-12-130. A current contributing Class B member other than a justice, judge, or magistrate judge, may convert credited service as a county sheriff or deputy county sheriff prior to January 1, 1980, or credited service as a county sheriff or deputy county sheriff while not certified from January 1, 1980, to June 30, 1988, inclusive; credited service as a policeman while not certified from July 1, 1983, to June 30, 1988, inclusive; credited service as a penitentiary correctional staff member prior to July 1, 1978; credited service as a conservation officer prior to July 1, 1983; credited service as a parole agent prior to July 1, 1991; and credited service as an air rescue firefighter prior to July 1, 1992, from credited service as a Class A member with benefits provided in accordance with § 3-12-91 to credited service as a Class B member other than a justice, judge, or magistrate judge,

with benefits provided in accordance with § 3-12-92, by election to make, or have made on the member's behalf, contributions based on the higher of the member's current compensation, or the member's final compensation calculated as if the member retired on the date of election, at an actuarially-determined percentage times each year of service for which the member wishes to receive such Class B credit. The provisions of this section also apply to a current contributing Class B member, other than a justice, judge, or magistrate judge, who previously has purchased equivalent public service pursuant to the provisions of § 3-12-84.

Payment of a deposit with the system for the conversion of credited service in accordance with this section shall be determined and due at the time the notice of intention to make the payment is received by the system. The amount due may be paid by periodic level installments over a period of up to ten years, the value of which, if discounted for interest at the current effective rate as established by the board pursuant to § 3-12-121 for investment return for purposes of the actuarial valuation, is equal to the amount due at the date of the notice. If a member dies before completion of the installment payments, the surviving spouse may complete the payments due the system, but unless the payments are being made by a participating unit, the amount shall be paid in full within ninety days of the member's death or retirement. If the periodic payments are not completed or paid when due, the administrator may make a pro rata adjustment to the credited service, benefits payable under this chapter or schedule of payments to allow for the default.

If the credited service of any member or group of members becomes Class B credited service on a prospective basis on or after July 1, 1993, the prior credited service as a Class A member may be converted to Class B credited service in accordance with this section. If a jailer becomes a Class B member other than a justice, judge, or magistrate judge pursuant to subdivision 3-12-47(25) or subdivision 3-12-47(55), the jailer is eligible to convert prior credited service as a jailer under this section.

Section 4. That § 3-12-130.1 be amended to read as follows:

3-12-130.1. If a current contributing class B member of this system, other than a justice, a judge, or a magistrate judge, has equivalent public service for which the member is not entitled to retirement benefits from another public retirement system, the member may elect to deposit or have deposited on the member's behalf an amount equal to an actuarially-determined percentage times the appropriate class B rate of contribution multiplied by the higher of the member's annual compensation at the time of making the election, or the member's final compensation calculated as if the member retired on the date of the election, for each year of equivalent public service for which the member wishes to receive credit as a class B member.

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I certify that the attached Act  
originated in the

HOUSE as Bill No. 1036

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1036  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State